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MEMORANDUM FOR:

Deputy Director for Administration Deputy Director for Intelligence Deputy Director for Operations
Deputy Director for Science and Technology

Inspector General

Comptroller General Counsel Legislative Counsel

SUBJECT:

Rehired Civilian Annuitants

REFERENCE:

HR

STATINTL

The Director of Personnel recently furnished to me a list of 200 rehired civilian annuitants, as of 30 June 1976, in either an independent contractor or contract employee status. I am concerned that this overall number may be excessive and that perhaps in certain instances we are hiring annuitants to accomplish work that could be performed by current employees or for which we could recruit new ones. By way of comparison, the number of such rehired annuitants was  $\hat{1}$ 54 for FY 1974 and 159 for FY 1975.

STATINTL

I recognize that a retiree often represents a wealth of unique background and experience and is sometimes the best qualified person to accomplish a job. Nevertheless, the standard for their employment contained in HR is a narrow one which allows fulfillment of requirements that cannot be met through internal reassignment or training of current employees or through new recruitments. In addition, Congress recently passed legislation which will require an agency that employes a Civil Service annuitant to pay the equivalent of his annuity to the Civil Service retirement fund. Provisions of our recent CIARDS amendment may result in application of this change to CIARDS retirees also.

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3. Consequently, I ask that you examine your employment of each annuitant in a contract or independent contractor status as well as each request STATINTL for an extension or initial hire in these categories to assure that the justification required by HR is present. I intend to ask the Director of Personnel to provide me with semi-annual reports which show all annuitants on board in the above categories, and the written justification for each, as of April 1 and October 1 of each year.

7s/ E. H. Knoche
E. H. Knoche
Deputy Director of Central Intelligence

cc: D/DCI/IC D/DCI/NIO AO/DCI